

# EXHIBIT B

CHUBB North American Claims - Environmental  
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Rachel.schulman@chubb.com

**Rachel Schulman**  
Claims Director

November 29, 2017

**VIA E-MAIL AND**  
**CERTIFIED MAIL-RRR**

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McLaren Health Care Corporation  
3200 Beecher Road  
Flint, MI 48532  
Attn: Sonja Wilcox-Berriel  
Sonja.wilcox-berriel@mcclaren.org

<b>Re:</b>	<b>Named Insured:</b>	McLaren Health Care Corporation
	<b>Lawsuits:</b>	Various
	<b>Policy No:</b>	PPI G2716884A 002
	<b>Claim No.:</b>	KY17K2045296

Dear Ms. Wilcox-Berriel:

Chubb North American Claims (“Chubb”) on behalf of ACE American Insurance Company (collectively “Chubb” or the “Insurer”) previously wrote you by letter dated May 22, 2017. This letter served to acknowledge that Chubb would be providing a defense for the various lawsuits relating to legionella contamination at the McLaren Flint Hospital. Please allow this letter to incorporate by reference our May 22, 2017 letter and allow this letter to serve as a request for additional information.

Since our initial letter, Chubb has learned of some additional facts that bear on McLaren Health Care Corporation’s (the “Insured”) right to coverage under the referenced policy. Please understand that by issuing this letter, Chubb is not denying coverage for these matters. We nevertheless take this opportunity to further address certain issues that ultimately may operate to preclude coverage for all or some of these suits, to reserve Chubb’s rights with respect to these issues, and to request further information pertinent to Chubb’s coverage investigation.

**The Claims**

As noted in my prior letter, Chubb has been advised of several lawsuits filed in the Circuit Court for Genesee County, Michigan, all of which were filed in 2016 and early 2017. Plaintiffs in these suits allege injuries and/or death resulting from exposure to legionella at the McLaren Flint Hospital located in Flint, Michigan. Plaintiffs allege exposure to legionella in the water supply at the hospital during the period 2014 through 2015.

**The Policy**

ACE American Insurance Company issued to McLaren Health Care Corporation. Premises Pollution Liability Portfolio Insurance Policy G2716884A 002 002 (“the Policy”) which provides claims made coverage with a Policy Period from January 1, 2016 to January 1, 2019. The policy has a relevant limit of liability of \$10,000,000 per pollution condition or indoor environmental condition and a \$13,000,000 total policy and program aggregate limit of liability for all pollution conditions and indoor

environmental conditions, subject to a \$50,000 per pollution condition or indoor environmental condition self-insured retention.

**Coverage Discussion**

**A. Self-Insured Retention.** As noted in my letter of May 12, 2017, the Policy is subject to a self-insured retention of \$50,000, and Chubb shall have no duties under the Policy has first been fully and properly satisfied, and all rights are reserved in this regard.

**B. Known Conditions.** The Policy contains an exclusion applicable to “loss” arising out of “pollution conditions” or “indoor environmental conditions” in existence and reported to a “responsible person” prior to the Policy’s inception and not otherwise disclosed to Chubb during the application for the Policy. (Exclusion K.)

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It has come to Chubb’s attention that at least some individuals employed by the Insured became aware of Legionella contamination in 2015 and undertook corrective actions in 2014 and 2015. Chubb will be further investigating what the Insured knew regarding these bacterial conditions and what measures were taken in response. In the interim, Chubb must reserve its right to disclaim coverage on the basis of this exclusion to the extent later deemed applicable.

In light of the foregoing, we ask that you kindly provide copies of all correspondence exchanged between the Insured and the Genesee County Health Department, the City of Flint, the Michigan Department of Health and Human Services, or any other governmental or regulatory agency concerning the suspected legionella conditions at the hospital. In addition, we ask that you provide further information concerning the Insured’s response to the suspected conditions, including copies of any communications with any consultants or contractors hired to study and/or correct the suspected conditions. Finally, we ask that you provide copies of any correspondence exchanged between the Insured and any individuals believed to have been affected by exposure to the suspected conditions.

Please understand that Chubb is requesting this information for the purpose of further evaluating its coverage obligation in light of the policy exclusion discussed above, and this letter should not be construed as a denial of coverage. As noted in my prior letter, however, there may be additional Policy provisions that apply to this matter, and Chubb continues to reserve its rights to rely on these provisions, if warranted, as Chubb’s investigation proceeds.

\* \* \*

The foregoing communication is without prejudice to Chubb’s rights pursuant to the terms, conditions, provisions and exclusions of the Policy. Chubb reserves the right to assert any other coverage or policy defense that may now be applicable or is later determined to be applicable upon further information provided. No act of any agent, servant, or employee of Chubb, including its attorneys, shall constitute a waiver or estoppel with respect to these rights.

Should you have any questions concerning this letter, please do not hesitate to let me know.

Sincerely,

Rachel Schulman  
Claims Director

cc: [ssmith@goldbergsegalla.com](mailto:ssmith@goldbergsegalla.com)

Aon

Attn.: Claire Juliana

Claire.juliana@aon.com

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